

BEFORE THE  
TENNESSEE STATE BOARD OF EQUALIZATION

*In Re:*     Alfred, Evelyn, Ronald Duncan & Barbara Duncan-Cody     )  
              Ward 21, Block 118, Parcel 7                                     )  
              Residential Property     )     Shelby County  
              Tax year 2006     )

INITIAL DECISION AND ORDER

Statement of the Case

On July 7, 2006, the Shelby County Assessor of Property ("Assessor") issued notice of the following prorated assessment of the subject property:<sup>1</sup>

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$4,300	\$28,200	\$32,500	\$8,125

The property owners have filed an appeal with the State Board of Equalization ("State Board").

The undersigned administrative judge conducted a hearing of this matter on December 14, 2006 in Memphis. In attendance at the hearing were the appellant Barbara A. Duncan-Cody, M.D. and Assessor's representative Ronald Palmer.

Findings of Fact and Conclusions of Law

The property in question is a one-story, single-family dwelling located at 1021 Randle Street in Memphis. The prorated assessment under appeal resulted from the addition of a bedroom to this house, increasing its total living area to 1,076 square feet.<sup>2</sup>

Dr. Duncan-Cody perceived the adjusted valuation of the subject property to be inequitable in comparison with the current appraisals of three other houses on Randle. She knew of no recent residential sales on that street.

In support of the prorated assessment, Mr. Palmer introduced an exhibit which listed the physical characteristics of the subject property and five other homes in the general vicinity that were sold during the 2003-04 period. The sale prices for those "comparables" ranged from \$40,000 to \$63,000.

Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for

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<sup>1</sup>This notice informed the taxpayers that, according to the Assessor's records, "the modification to your improvements were [sic] completed by 02/16/2006." The subject property was previously valued as of January 1, 2006 at \$24,600. The prorated appraisal was based on the property's estimated market value of \$33,700 (as improved).

<sup>2</sup>The amount shown on the building permit for this addition was \$13,950. Unbeknownst to the Assessor's office, the project also involved installation of a central air-conditioning system.



purposes of sale between a willing seller and a willing buyer without consideration of speculative values....”

Since the taxpayers seek to change the present valuation of the subject property, they have the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

Respectfully, after reviewing all the evidence of record, the administrative judge cannot recommend any reduction of the disputed value. In recognition of the inevitable imperfections in mass appraisal systems, this agency has generally declined to grant relief to aggrieved taxpayers solely on a “comparative appraisal” basis. As the Assessment Appeals Commission observed in the appeal of Stella L. Swope (Davidson County, Tax Years 1993 & 1994, Final Decision and Order, December 7, 1995):

The assessor’s recorded values for other properties may suffer from errors just as Ms. Swope has alleged for her assessment, and therefore the recorded values cannot be assumed to prove market value.

*Id.* at p. 2.

Ideally, of course, a market analysis would include recent sales of similar properties in close proximity to the subject. In the apparent absence of such transactions, however, the Assessor’s representative followed generally accepted appraisal methodology in expanding his search for suitable comparables beyond Randle Street to other parts of the neighborhood.

#### Order

It is, therefore, ORDERED that the following values be adopted for tax year 2005:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$4,300	\$28,200	\$32,500	\$8,125

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The

petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 22<sup>nd</sup> day of January, 2007.

*Pete Loesch*

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PETE LOESCH  
ADMINISTRATIVE JUDGE  
TENNESSEE DEPARTMENT OF STATE  
ADMINISTRATIVE PROCEDURES DIVISION

cc: Barbara A. Duncan-Cody  
Tameaka Stanton-Riley, Appeals Manager, Shelby County Assessor's Office

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